

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF SALT RIVER)	CASE NO. 10461
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1, 1986)	
TO OCTOBER 31, 1988)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 6, 1988 established this case to review and evaluate the operation of the fuel adjustment clause of Salt River Rural Electric Cooperative Corporation ("Salt River") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Salt River to submit certain information including, inter alia, its monthly fuel charges for the period under review and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Salt River has complied with this Order. The Commission further ordered that a public hearing be held in this case, but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. Salt River has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Salt River, has been authorized to transfer (roll-in) a 0.80 mills per KWH decrease in its base fuel cost to its base rates.¹

3. Salt River should be authorized to transfer (roll-in) a 0.84 mills per KWH decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.80 mills per KWH decrease in EKPC's base rates and this can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached and incorporated hereto, are fair, just, and reasonable and reflect the transfer of fuel costs from the fuel adjustment clause to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Salt River through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

2. Salt River be and it hereby is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its fuel adjustment clause to its base rates.

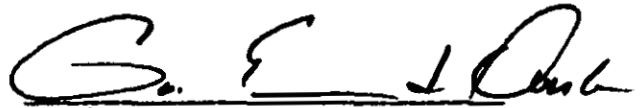
¹ Case No. 10437, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative Corporation, Inc.

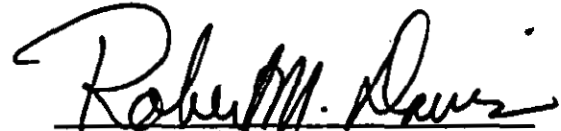
3. The rates in Appendix A are approved for service rendered by Salt River on and after May 1, 1989.

4. Within 30 days of the date of this Order, Salt River shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 31st day of March, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10461 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Salt River Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A-5 FARM AND HOME SERVICE*

Availability

Available to members of the Cooperative for all Farm and Home uses subject to the established rules and regulations of the Seller. The capacity of individual motors served upon this schedule shall not exceed 10 h.p.

Type of Service

Single phase, 60 Hertz, at available secondary voltage.

Rates:

First	40 KWH Per Month (minimum bill)	\$ 6.30	Per Month
Next	60 KWH Per Month	.07319	Per KWH
Next	100 KWH Per Month	.05982	Per KWH
Next	800 KWH Per Month	.05689	Per KWH
Next	1,000 KWH Per Month	.05375	Per KWH
Over	2,000 KWH Per Month	.04957	Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.30 where 25 kVA or less transformer capacity is required. For members requiring more than 25 kVA transformer capacity, the minimum monthly charge shall be increased at the rate of \$.75 of each additional kVA or fraction thereof required. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt hours, corresponding to the minimum charge in accordance with the foregoing rate.

SCHEDULE A-5T
FARM AND HOME SERVICE - TAXABLE

RATES

First	40 KWH Per Month (Minimum)	\$6.30	Per Month
Next	60 KWH Per Month	.07319	Per KWH
Next	100 KWH Per Month	.05982	Per KWH
Next	800 KWH Per Month	.05689	Per KWH
Next	1,000 KWH Per Month	.05375	Per KWH
Over	2,000 KWH Per Month	.04957	Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.30 where 25 kVA or less transformer capacity is required. For members requiring more than 25 kVA transformer capacity, the minimum monthly charge shall be increased at the rate of \$.75 of each additional kVA or fraction thereof required. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt hours, corresponding to the minimum charge in accordance with the foregoing rate.

SCHEDULE B-2
COMMERCIAL AND SMALL POWER SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$6.62	Per Month
Next	60 KWH Per Month	.11190	Per KWH
Next	200 KWH Per Month	.08756	Per KWH
Next	700 KWH Per Month	.06959	Per KWH
Over	1,000 KWH Per Month	.06123	Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.62 where 37.5 kVA or less of transformer capacity is required.

Temporary Service

Temporary service shall be supplied in accordance with the foregoing rate except that there shall be an additional charge of \$5.87 for each kilowatt or fraction thereof of installed capacity for each month or fraction thereof that service is connected. Bills will not be pro-rated for a fractional part of a month.

Conditions of Service

- (d)(1) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

SCHEDULE LLP-1
LARGE POWER SERVICE (Over 37.5 - Under 500 KW)*

Rates:

\$.05345 per KWH for the first 50 KWH used per month
per KW of billing demand.

\$.04509 per KWH for the next 50 KWH used per month
per KW of billing demand.

\$.04282 per KWH for all remaining KWH used per month.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent, the demand for billing purpose shall be the demand as indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

Conditions of Service

- 4(a) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

SCHEDULE LLP-2
LARGE POWER 500 KW UNDER 3,000 KW*
(Secondary Voltage)

Rates:

Energy Charge

First 20,000 KWH Per Month	\$.05425 Per KWH
Next 20,000 KWH Per Month	.04088 Per KWH
Over 40,000 KWH Per Month	.03639 Per KWH

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent, the demand for billing purpose shall be the demand as indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

Conditions of Service

- 4.(a) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.
- 4.(b) The consumer shall guarantee a minimum annual revenue of not less than 18 percent of the estimated additional investment required to extend service which shall include the additional cost of meters, transformers and any additions to or alterations of lines, and equipment necessary to make service available. Minimum charges for service shall be based on the kVA of installed transformer capacity. In all other cases, the minimum charge shall be based on kVA of transformer capacity as hereinafter provided.

SCHEDULE OL OUTDOOR LIGHTING SERVICE*

Rate Per Fixture:

<u>Type of Fixture</u>	<u>Lumen Output</u>	<u>Rate</u>
Mercury Vapor or HPS	7000-9000	\$5.83 per month

SCHEDULE OL-1 STREET LIGHTING SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$7.10	Per Month
Next	60 KWH Per Month	.09484	Per KWH
Next	100 KWH Per Month	.07248	Per KWH
Next	300 KWH Per Month	.05754	Per KWH
Over	500 KWH Per Month	.04542	Per KWH

SCHEDULE LLP-3 LARGE POWER 500 KW - 3,000 KW* (Primary Voltage)

Rates:

Demand Charge

\$5.82 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	\$.06079 Per KWH
Next	20,000 KWH Per Month	.04647 Per KWH
Over	40,000 KWH Per Month	.04198 Per KWH

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent, the demand for billing purpose shall be the demand as indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

Conditions of Service

- 5(a) An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

SCHEDULE LPR-1 LARGE POWER 3,000 KW AND OVER*

Rates:

Energy Charge

First	100,000 KWH Per Month	\$.04484 Per KWH
Next	900,000 KWH Per Month	.03030 Per KWH
Over	1,000,000 KWH Per Month	.02565 Per KWH

Availability

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 3,000 KW for lighting and/or heating and/or power, and who are served directly from a distribution substation with no other consumer served from that station.

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 80 percent, the demand for billing purpose shall be the demand indicated or recorded by the demand meter multiplied by 80 percent and divided by the percent power factor.

SCHEDULE LPR-2

Rates:

Demand Charge

First 100,000 KWH Per Month	.04484 Per KWH
Next 900,000 KWH Per Month	.03030 Per KWH
Over 1,000,000 KWH Per Month	.02565 Per KWH

*Fuel Clause Adjustment

The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10 percent and is based on a 12-month moving average of such losses.